

Message Text

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51

ACTION XMB-07

INFO OCT-01 EA-11 ISO-00 EB-11 COME-00 TRSE-00 CIAE-00

INR-10 NSAE-00 RSC-01 EUR-25 FAA-00 DOTE-00 DRC-01

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R 040817Z APR 74

FM AMEMBASSY SEOUL

TO SECSTATE WASHDC 3199

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FOR EXIMBANK

E.O. 11652: N/A

TAGS: ETRN BEXP KS

SUBJECT: EXIM CREDIT FOR KAL DC-10S

1. C.K. "CHARLIE" CHO, EXECUTIVE VICE PRESIDENT OF KOREAN AIR LINES (KAL), WILL BE VISITING THE US NEXT WEEK AND EXPECTS, TOGETHER WITH REPRESENTATIVES OF MCDONNELL-DOUGLAS, TO CALL ON EXIMBANK. HE WILL WANT TO DISCUSS THE PURCHASE, WITH EXIM SUPPORT, OF FIVE DC-10S FOR KAL.

2. MR. CHO HAS LEARNED FROM KOREAN GOVERNMENT THAT DC-10S HAVE BEEN TENTATIVELY LISTED FOR EXIM CONSIDERATION WITH TWO PLANES TO BE FINANCED (\$60 MILLION) IN THE FIRST HALF OF FY '75 AND THREE PLANES (\$90 MILLION) IN THE SECOND HALF OF FY '75. THE LISTING IS AT VARIANCE WITH DELIVERY SCHEDULE AGAINST WHICH DOUGLAS NOW BUILDING PLANES. SCHEDULE, WHICH CAREFULLY WORKED OUT FOR PHASING OF DC-10S INTO KAL'S EXPANSION AND MODERNIZATION CALLS FOR FIRST DELIVERY IN JULY 1974 AND SUBSEQUENT DELIVERIES IN FEBRUARY, APRIL, SEPT, AND OCTOBER 1975. THUS, KAL AND DOUGLAS URGENTLY SEEKING EXIM PRECOMMITMENT WHICH WOULD COVER

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THREE PLANES (INSTEAD OF TWO) IN FIRST HALF OF FY '75

AND TWO PLANES SECOND HALF OF FY '75.

3. CHO SAYS KAL HAS MADE DOWNPAYMENT ON DC-10S AND HE IS PERSONALLY COMMITTED TO AIRLINES EXPANSION ON SCHEDULE AS OUTLINED. HE SAYS FRENCH, OF COURSE, ARE PUSHING FOR AIRBUS BUT HE IS CONVINCED HE CAN OBTAIN FULL FIVE-PLAN EXIM PRECOMMITMENT TO KEEP THEM AT BAY.
HABIB

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Message Attributes

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